



Online Filing Demand for Arbitration/Mediation Form

This concludes your filing.

Thank you for submitting your claim to the AAA.

Your claim confirmation number is: 002-2K4-WLT

To institute proceedings, please send a copy of this form and the Arbitration Agreement to the opposing party.

Your dispute has been filed in accordance with: Commercial Dispute Resolution Procedures

Claims

Claim Amount: \$5,000,000.00

Claim Description: NPS entered into the Agreement with AirTech Industries (âATIâ) under which ATI manufactured certain paintball goggles for NPS. When PLP acquired certain business interests in ATI it requested NPSâs consent to the assignment of the Agreement. In seeking that required consent, PLP warranted and represented to NPS that it would maintain, honor, and assume the Agreement and all associated obligations and that it would continue to perform under the Agreement in good faith. Relying on these representations, NPS agreed to the assignment on March 4, 2005. Shortly thereafter, PLP indicated that it intended to terminate the Agreement when NPS rebuffed PLPâs acquisition overtures and began to fail to live up to its promises made to NPS and began taking action that has led to a complete repudiation of the Agreement. These acts include a purported termination of the Agreement on June 24, 2005, without justification, and PLPâs repudiation constitutes a breach of contract. NPS agreed to the assignment of the Agreement from ATI to PLP based on PLPâs representations referenced above. PLP knew that these representations were false or made them recklessly without any knowledge of their truth, or made them negligently, as it should have known that the representations were untrue. Accordingly, in addition to breach of contract claims, NPS brings claims for fraud, negligent misrepresentation, and equitable fraud. In furtherance of its acts inconsistent with the Agreement, PLP has engaged in a campaign to disparage NPSâs good reputation in the industry in violation of New Jerseyâs Unfair Competition Statute, N.J. Stat. Â§56:4-1 et. seq. and the common law. These acts also constitute trade libel. And, through this disparagement, PLP has tortiously interfered with NPSâs existing and potential business relationships. At this time, NPS brings claims for improper repudiation, for which it seeks any and all damages resulting from PLPâs breach to which NPS is entitled under the Agreement and/or under the applicable law, claims for fraud, negligent misrepresentation, equitable fraud, tortious interference, and trade libel for which it seeks compensatory and punitive damages, and brings a claim for unfair competition under the common law and N.J. Stat. Â§56:4-1 et. seq. under which NPS is entitled to treble damages and injunctive relief. In total, NPS approximates monetary damages at \$5,000,000. This figure is exclusive of interest, attorneysâ fees and costs, and other damages unascertainable at this time. NPS reserves the right to supplement this figure or seek additional damages consistent with the development of the record in this case and reserves the right to add additional claims should it become necessary to do so. NPS also seeks declaratory and injunctive relief. NPS respectfully requests that an administrative conference call be scheduled as quickly as possible so that a panel may be chosen and NPS can seek the interim relief needed to protect its rights. NPS reserves the right to further amend its demand for arbitration and to file a formal statement of claims to accompany its forthcoming motion for preliminary injunction once a panel has been selected.

Arbitration Clause: EXCLUSIVE DISTRIBUTOR AGREEMENT 13.09 Any disputes arising out of or pertaining to this Agreement which the parties are unable to resolve by bona fide negotiations at an executive level, shall be resolved by binding arbitration on the basis that the arbitration shall be submitted for arbitration to the American Arbitration Association on demand of either party to such dispute. Such arbitration shall be conducted in Philadelphia, Pennsylvania. Except as otherwise provided in this Agreement, such dispute shall be heard by a panel of three arbitrators in accordance with the then current rules of the American Arbitration Association. The arbitrators shall have the right to award and include in their award any relief that they deem proper in the circumstances, including without limitation, money damages (with interest on unpaid amounts from the due date), specific performance, injunctive relief and attorney's fees and costs. The award and decision of the arbitrators shall be conclusive and binding upon the parties and judgment upon the award

may be entered into any court of competent jurisdiction. This agreement to arbitrate shall continue in full force and effect subsequent to and notwithstanding the expiration or termination of this Agreement. The arbitration shall be conducted informally with a view to the issue being resolved expeditiously and quickly. The arbitrators, as part of their decision, shall be entitled to determine which of the parties shall be liable for their costs or the ratio in terms of which the parties are to share their costs, failing which, their costs shall be borne equally between the parties.

Hearing Locale Requested: Philadelphia, PA

Filing Fee: \$8,000.00

No. of Neutrals: 3

Contract Date: 06/12/2002

Claimant # 1

Company Name: National Paintball Supply, Inc.

Address: 570 Mantua Blvd.
Sewell, NJ 08080
United States of America

Tel: 856-464-1068

Fax: 8564648269

Email: jcampo@nationalpaintball.com

Type of Business: Paintball dist. co.

Representatives

Name: Michael W. McTigue Jr.

Company Name: Drinker Biddle & Reath LLP

Address: One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103
United States of America

Tel: 215-988-2700

Fax: 2159882757

Email: michael.mctigue@dbr.com

Name: Alexander S. Helderman

Company Name: Drinker Biddle & Reath LLP

Address: One Logan Square
18th & Cherry Streets
Philadelphia, PA 19103
United States of America

Tel: 215-988-2700

Fax: 2159882757

Email: alexander.helderman@dbr.com

Respondent # 1

Company Name: Paintball, L.P.

Address: 6000 Kieran St.
Ville St. Laurent, QC
H4S 2B5
Canada

Tel: 514-337-1779

Type of Business: Paintball goggle mfg

Representatives

Name: Jon A. Baughman

Company Name: Pepper Hamilton LLP

Address: 3000 Two Logan Square
18th & Arch Streets
Philadelphia, PA 19103
United States of America

Tel: 215-981-4000

Fax: 2159814750

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